

DD/A Registry
78-2213/2

Washington, D. C. 20505

Executive Registry
78-9202/1

JUN 1978

OLC # 78-2022/A

Mr. H. L. Krieger, Director
Federal Personnel and Compensation Division
General Accounting Office
Washington, D. C. 20548

DDC1
INT PACK
GAO

Dear Mr. Krieger:

This is in response to Mr. J. K. Fasick's letter of 24 May 1978 requesting our comments on your proposed report as to the desirability of establishing a single retirement system for all Federal personnel.

We do not concur in the conclusion that the CIA Retirement and Disability System (CIARDS) should be included in a single consolidated Federal system. We consider that the unique security and management factors require that the CIARDS should remain under Agency control as a separate statutory system.

The justification for maintaining CIARDS as a separate system was spelled out in the Agency's detailed response of 9 March 1977 to Mr. Shelton's earlier (11 November 1976) letter which initiated GAO's review. A copy of the response we made at that time is enclosed as Attachment C. Unfortunately, your draft report does not include most of the rationale supporting our position. As a result, recipients of the report within the Congress would be given a one-sided view supporting your conclusion for one retirement system with little insight into the Agency's position to allow an objective appraisal of the proposal as it concerns CIARDS.

To present a balanced report, we feel it only fair and necessary that the detailed rationale supporting CIA's position be included in the section of your report on CIARDS. Accompanying this letter as Attachment A are our comments on the draft of your proposed report. For your further information is Attachment B, a statement made by the Acting Deputy Director of Central Intelligence on 13 October 1977 during hearings on CIARDS held by the House Permanent Select Committee on Intelligence. We believe you will find in these two attachments important information to supplement the information we gave to Mr. Shelton in March 1977.

If, notwithstanding the views expressed in the attached materials, your final report recommends the merger of CIARDS in a single Federal

MORI/CDF

retirement system, we request that the report reflect the Agency's rationale for CIARDS as a separate system and the Agency's stand in opposition to any other arrangement.

A representative of our Office of Personnel is prepared to meet again with Mr. Shelton directly to discuss appropriate revisions of the report to satisfy our concerns.

Sincerely,

/s/John F. Blake

John F. Blake
Acting Deputy Director

Enclosures

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

CIA's Comments on GAO's Draft Report Proposing
a Single Federal Retirement System

DD/A Registry

78 2213/3

FROM:

J. F. Blake
Deputy Director for Administration
7D24, Hqs.

EXTENSION

NO.

DATE

21 JUN 1978

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Comptroller
4E06, Hqs.

2. Office of General Counsel
7D07, Hqs.

3. Office of Legislative Counsel
6C19, Hqs.

4.

5. Deputy Director of Central
Intelligence
7E12, Hqs.

6. Director of Central
Intelligence
7E12, Hqs.

7.

8.

9.

10.

11.

12.

13.

14.

15.

The General Accounting Office (GAO) conducted a study (begun in March 1977) of the feasibility of merging all 51 separate Federal retirement systems into a single retirement system for all Federal civilian and military employees. The study was requested by three committees in the House:

- Armed Service
- Banking and Currency
- Post Office and Civil Service

On 24 May 1978, GAO sent us, for comment, a copy of the report it intends to submit to the Congress. The report proposes to merge 38 separate retirement systems, including CIARDS. Our comments are reflected briefly in the attached letter for the DCI's signature and at length in Attachment A. The other two attachments are back-up material for Attachment A.

/s/ John F. Blake

John F. Blake